

Paying the Apprenticeship Levy





When do you need to report?

From 6 April 2017 need to tell HMRC how much Apprenticeship Levy you owe each month from the start of the tax year if:

- your annual pay bill (including any connected companies) in the previous tax year > £3m
- you think your annual pay bill (including any connected companies) for the tax year will be > £3m
- if your annual pay bill (including any connected companies) unexpectedly increases to more than £3 million - start reporting when this happens



Paying the Apprenticeship Levy

- If you've started paying Apprenticeship Levy, you'll need to continue reporting it until the end of the tax year even if your annual pay bill turns out to be less than £3 million
- Connected companies will each need to tell HMRC how much Apprenticeship Levy they owe.
- Report your Apprenticeship Levy each month using your Employer Payment Summary (EPS) and include the following:
 - the amount of the annual Apprenticeship Levy allowance you've allocated to that PAYE scheme
 - the amount of Apprenticeship Levy you owe to date in the current tax year
 - You don't need to report Apprenticeship Levy on your EPS if you haven't had to pay it in the current tax year.



Record Keeping

You must keep records of any information you have used to calculate your levy payment for at least 3 years after the tax year which they relate to.



Changes to your Pay Bill

- Report any changes to the Apprenticeship Levy as a result of changes to your pay bill on your next EPS
- If you find errors in your total annual pay bill at the end of the tax year, you must submit an extra EPS with the correct Apprenticeship Levy for the full tax year and pay what you owe.



How to Pay

- You'll need to pay the Apprenticeship Levy each month through the PAYE process in the same way you pay Income Tax or National Insurance contributions
- If you've overpaid Apprenticeship Levy during the year, you'll receive a refund as a PAYE credit
- Apprenticeship Levy payments are a deductible expense for Corporation Tax